

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re

FAWNLAND FARMS, INC

Case No.

Debtor(s).

SIGNATURE DECLARATION

- ☐ PETITION, SCHEDULES & STATEMENTS
☐ CHAPTER 13 PLAN
☐ VOLUNTARY CONVERSION, SCHEDULES AND STATEMENTS
☐ AMENDMENT TO PETITION, SCHEDULES & STATEMENTS
☐ MODIFIED CHAPTER 13 PLAN
☒ OTHER (PLEASE DESCRIBE: Chapter 12 plan)

I [We], the undersigned debtor(s) or authorized representative of the debtor, make the following declarations under penalty of perjury:

1. The information I have given my attorney for the electronically filed petition, statements, schedules, amendments, and/or chapter 13 plan, as indicated above, is true and correct;
2. The Social Security Number or Tax Identification Number I have given to my attorney for entry into the court's Case Management/Electronic Case Filing (CM/ECF) system as a part of the electronic commencement of the above-referenced case is true and correct;
3. **[individual debtors only]** If no Social Security Number was provided as described in paragraph 2 above, it is because I do not have a Social Security Number;
4. I consent to my attorney electronically filing with the United States Bankruptcy Court my petition, statements and schedules, amendments, and/or chapter 13 plan, as indicated above, together with a scanned image of this Signature Declaration;
5. My electronic signature contained on the documents filed with the Bankruptcy Court has the same effect as if it were my original signature on those documents; and
6. **[corporate and partnership debtors only]** I have been authorized to file this petition on behalf of the debtor.

Date:

8-31-18

x

Pierre Hansen
Signature of Debtor 1 or Authorized Representative

x

Alfred Tamble
Signature of Debtor 2

PIERRE HANSEN, CEO Fawnland Farms, Inc
Printed Name of Debtor 1 or
Authorized Representative

Alfred Tamble, CFO Fawnland Farms, Inc.
Printed Name of Debtor 2

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In RE:

Fawnland Farms, Inc.,

Debtor.

Case No.: 18-60305

Chapter 12

August 31, 2018

CHAPTER 12 PLAN

ARTICLE I

ADMINISTRATIVE PRIORITY CLAIMS

The Chapter 12 trustee shall make application to the Court for approval of trustee's fees and for any reasonable and necessary expenses of the trustee in effectuating the trustee's duties under the Bankruptcy Code in administering this case. The Debtor(s) shall pay an amount equal to five percent (5%) of all payments disbursed by the Chapter 12 trustee as an estimated payment and the trustee shall hold the fee until the trustee's fees and expenses are applied for and approved by the Court. Once the trustee's fees are approved, the trustee shall pay them. If there are excess funds in the account at the end of the case, the money shall be paid to the unsecured creditors and any excess after paying the unsecured creditors shall be paid to the debtors, unless otherwise ordered by the Court. The term of this plan shall be three (3) years.

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

- CLASS 1: Austin Huffmann
- CLASS 2: Central Minnesota Credit Union
- CLASS 3: CNH Industrial Capital
- CLASS 4: Joyce C. Hansen Trust & Pierre T. Hansen Trust
- CLASS 5: Internal Revenue Service
- CLASS 6: Executory Contracts
- CLASS 7: Velde Moore, Ltd.
- CLASS 8: Unsecured Creditors

ARTICLE III

CLASS 1

Class 1 consists of the claim of Austin Huffmann (AH). AH has one loan with debtor that is secured by a combine, windrower, and four irrigations systems. The current balance of the loan is \$142,313.00 and the value of the collateral is \$102,000.00. The debtor is not seeking to modify the terms of this note, and shall continue to make his contractual payments directly to AH in the amount of \$4,382.57 per month, represented as an annual payment below:

Annual Payment	Trustee Fee (5%)	Total
\$52,590.84	n/a	\$52,590.84

CLASS 2

Class 2 consists of the claim of Central Minnesota Credit Union (CMCU). CMCU has one loan with debtor that is secured by a 2015 M.650 Bobcat. The current balance of the loan is \$19,233.57 and the value of the collateral is \$29,000.00. The debtor is not seeking to modify the terms of this note, and shall continue to make his contractual payments directly to CMCU in the amount of \$571.55 per month, represented as an annual payment below:

Annual Payment	Trustee Fee (5%)	Total
\$6,858.60	n/a	\$6,858.60

CLASS 3

Class 3 consists of the claim of CNH Industrial Capital (CNH). CNH has two loans with debtor. The first loan is secured by a Claas 880 Forage Chopper with a fair market value of \$45,000.00 and a loan balance of \$44,660.00. The second loan is secured by a Case IH STX 325 Tractor with a fair market value of \$48,000.00 and a loan balance of \$48,429.00. The debtor is not seeking to modify the terms of these notes, and shall continue to make his contractual payments directly to CNH in the amount of \$914.31 and \$780.55 per month, represented as an combined, annual payment below:

Annual Payment	Trustee Fee (5%)	Total
\$20,338.32	n/a	\$20,338.32

CLASS 4

Class 4 consists of the claim of the Joyce C. Hansen Trust and Pierre T. Hansen Trust (Trust). The Trust has one loan with debtor that is secured by its farm equipment with a fair market value of \$418,586.00. The balance of the Trust loan is \$1,114,546.72. The Trust loan balance corresponds to the balance owed to Freeport State Bank. Freeport State Bank has two loans with the debtor that is secured by the real property owned by the Trust that is farmed by the debtor.

As such the Trust has a corresponding lien against the equipment of the debtor. The debtor is not seeking to modify the terms of this note, and shall continue to make his contractual payments in the amount of \$8,600.00 per month, represented as an annual payment below:

Annual Payment	Trustee Fee (5%)	Total
\$103,200.00	n/a	\$103,200.00

CLASS 5

Class 5 consists of the claim of the Internal Revenue Service (IRS). The debtor owes the IRS \$34,000.00 which is a priority claim.

The debtor shall pay the IRS by making monthly payments of \$944.45 through its chapter 12 plan. The monthly payment is represented under annual terms below.

Annual Payment	Trustee Fee (5%)	Total
\$11,333.40	\$566.67	\$11,900.07

CLASS 6

Class 6 consists of executory contracts. The debtor will assume the following contracts under their pre-petition terms: All contracts with Farm Service Agency, including but not limited to the MPP-Dairy program. The debtor will assume all its farm land lease with the Joyce C. Hansen and Pierre T. Hansen Trust. .

CLASS 7

Class 7 consists of Velde Moore, Ltd., which claim is for attorney's fees associated with this filing. This claim shall be paid over a period of term of this plan (3 years) at an hourly rate of \$200.00. The debtor will make payments through the plan at the rate of \$240.00 per month. In addition the debtor shall provide the trustee with such additional funds as are necessary to provide for the trustee fees on such payment. The monthly payment is represented under annual terms below.

Annual Payment	Trustee Fee (5%)	Total
\$2,880.00	\$144.00	\$3,024.00

CLASS 8

Class 8 is that of all unsecured creditors. The Debtor proposes to withhold each year sums of money for reasonable and necessary expenses to preserve and continue the Debtor's farm operation as authorized under 11 U.S.C. § 1225(b)(2)(B). Such expenses include, but are not limited to, purchases of capital improvements, machinery and equipment. The debtor shall also withhold reasonable amounts necessary for inputs for subsequent crops to be planted during the duration of the plan.

Payments shall be made equal to at least amounts called for in the liquidation analysis. The Debtor shall commit all disposable income to the completion of the plan, the duration of this plan shall be three years. Debtor shall pay only timely filed claims. The debtor shall make an annual payment of \$3,368.55 on or before the last Friday in December beginning in 2018. The best interest calculation is \$10,105.63.

Annual Payment	Trustee fee (5%)	Total
\$3,368.55	\$168.43	\$3,536.98

ARTICLE IV

LIQUIDATION ANALYSIS

The Liquidation Analysis as required under Section 1225 (a) (4) is attached as Attachment A. The debtor is not eligible to claim exemptions.

ARTICLE V

FARM INCOME AND EXPENSES

The Debtor shall satisfy the obligations of this plan through income from farm and non-farm earnings, see attached cash flow. Debtors shall provide the chapter 12 trustee with operating reports and bank statements on a monthly basis, and shall file and provide the chapter 12 trustee copies of tax returns annually.

POST-PETITION CREDITORS AND SUPPLIERS

The Debtor shall administer contracts on all post-petition contracts outside of the plan. The following table describes the annual payment amounts called for herein, payments will be made monthly to the trustee.

CLASS	PAYMENT	TRUSTEE FEE	TOTAL
CLASS 1	52,590.84	n/a	52,590.84
CLASS 2	6,858.60	n/a	6,858.60
CLASS 3	20,338.32	n/a	20,338.32
CLASS 4	103,200.00	n/a	103,200.00
CLASS 5	11,333.40	566.67	11,900.07
CLASS 6			
CLASS 7	2,880.00	144.00	3,024.00
CLASS 8	3,368.55	168.43	3,536.98
	200,569.71	879.10	201,448.81

TOTAL

Dated: August 31, 2018

/e/Pierre Hansen
CEO of Fawnland Farms, Inc.
Chapter 12 Debtor

Asset	Value	Liens	Lien Holder	Junior Lien	Exemption	Estate
Checking Granite City	\$ 48,247.28	\$ 48,247.28	J.H. Trust			\$ -
Checking Freeport State	\$ 13,633.70	\$ 13,633.70	J.H. Trust			\$ -
Planted Crops	\$ -					\$ -
Dairy Herd held in trust	\$ -					\$ -
Farm machinery	\$ 418,586.00	\$ 418,586.00	J.H. Trust			\$ -
Claas 880 Forage Chopper	\$ 45,000.00	\$ 44,660.80	CNH Ind. Capital			\$ 339.20
Case STX 325 Tractor	\$ 48,000.00	\$ 48,429.09	CNH Ind. Capital			\$ -
JD 9500 combine	\$ 20,000.00	\$ 20,000.00	Austin Huffmann			\$ -
JD 4990 Windrower	\$ 22,000.00	\$ 22,000.00	Austin Huffmann			\$ -
4 Irrigation Systems	\$ 60,000.00	\$ 60,000.00	Austin Huffmann			\$ -
2015 650 Bobcat	\$ 29,000.00	\$ 19,233.57	Cent. MN CU			\$ 9,766.43
Feed Inventory	\$ -					\$ -
leased real estate	\$ -					\$ -
Total						\$ 10,105.63

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
CASH INFLOWS													
Beg cash bal	2000	1000	57775	41207	38606	41023	5964	1000	1000	12851	26555	3297	2000
Corn	-	-	-	-	-	-	-	-	32500	23595	13975	-	70070
S. Wheat	-	-	-	11760	-	-	-	-	-	-	-	-	11760
Milk	60101	60101	60101	60101	60101	60101	60101	60101	60101	60101	60101	60101	721216
Cull stock	1309	1309	1309	1309	1309	1309	1309	1309	1309	1309	1309	1309	15712
Misc. Ivstk	1759	1759	1759	1759	1759	1759	1759	1759	1759	1759	1759	1759	21109
Other farm													
LOL Stock	-	90000	-	-	-	-	-	-	-	-	-	-	90000
Total inflow	65170	154170	120945	116137	101775	104193	69134	64170	96670	99616	103700	66466	931867
The Debtor anticipates increasing to 3 milkings per day which shall increase income +75,000													
CASH OUTFLOWS													1,006,867
Seed	-	-	-	-	-	-	-	-	-	-	29134	-	29134
Fertilizer	-	-	-	-	-	-	-	-	-	-	1767	28756	30523
Chemicals	-	-	-	-	-	-	-	-	-	-	-	14716	14716
Crop insur.	-	305	-	1256	-	2681	-	-	-	-	-	-	4242
Drying fuel	-	-	-	-	-	2143	-	-	-	-	-	-	2143
Irrig energy	2545	3704	2882	590	-	-	-	-	-	-	-	-	9720
Pur. Hay	-	-	-	-	-	-	-	-	-	-	-	2643	2643
Purch. feed	14149	14149	14149	14149	14149	14149	14149	14149	14149	14149	14149	14149	169783
Breeding	1022	1022	1022	1022	1022	1022	1022	1022	1022	1022	1022	1022	12264
Veterinary	1444	1444	1444	1444	1444	1444	1444	1444	1444	1444	1444	1444	17334
Supplies	3325	3325	3325	3325	3325	3325	3325	3325	3325	3325	3325	3325	39903
DHIA	427	427	427	427	427	427	427	427	427	427	427	427	5124
L. Hauling	2310	2310	2310	2310	2310	2310	2310	2310	2310	2310	2310	2310	27724
L. Marketing	516	516	516	516	516	516	516	516	516	516	516	516	6192
Bedding	933	933	933	933	933	933	933	933	933	933	933	933	11194
Pkg & supply													
ag bag @ mac	-	-	-	-	-	3500	3500	-	-	-	-	-	7000
Fuel & oil	2458	2458	2458	2458	2458	2458	2458	2458	2458	2458	2458	2458	29500
Repairs													
repairs	5999	5999	5999	5999	5999	5999	5999	5999	5999	5999	5999	5999	71982
repairs adju	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-3467	-41605
Total	2531	2531	2531	2531	2531	2531	2531	2531	2531	2531	2531	2531	30377
Cust hire													
Justin Addy	558	558	558	558	558	558	558	558	558	558	558	558	6699
Greg Miller	-	1588	1588	1588	-	1588	-	-	-	-	-	-	6350
Hansen Custo	2600	2600	-	-	-	-	-	-	-	-	-	-	5200
Terwey (haul	-	-	-	450	-	-	-	-	-	-	-	-	450
God Fathers	146	-	-	146	-	-	146	-	-	146	-	-	584
Hildebrandt	38	38	38	38	38	38	38	38	38	38	38	38	455
Dockendorf	150	150	150	150	150	150	150	150	150	150	150	150	1800
Total	3492	4934	2334	2930	746	2334	892	746	746	892	746	746	21538
Labor													
Eric Jerez	4412	4412	4412	4412	4412	4412	4412	4412	4412	4412	4412	4412	52944
Liliana Gone	3410	3410	3410	3410	3410	3410	3410	3410	3410	3410	3410	3410	40925
Shamus Tambl	4207	4207	4207	4207	4207	4207	4207	4207	4207	4207	4207	4207	50483
Vern Meier	1758	1758	1758	1758	1758	1758	1758	1758	1758	1758	1758	1758	21090
Jack Tamble	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000
Chip Hansen	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Ins	1164	1164	1164	1164	1164	1164	1164	1164	1164	1164	1164	1164	13973

	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Total</i>
Workman's Co	897	897	897	897	897	897	897	897	897	897	897	897	10765
FICA	577	577	577	577	577	577	577	577	577	577	577	577	6921
Total	18925	18925	18925	18925	18925	18925	18925	18925	18925	18925	18925	18925	227101
Mach leases													
tank rental	-	-	1767	-	-	-	1767	-	-	-	-	1767	5300
RE taxes	-	-	-	-	-	14184	-	-	-	-	-	14184	28367
Farm insur.	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Utilities													
Electric	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750	1750	21000
cell phone	241	241	241	241	241	241	241	241	241	241	241	241	2892
internet	161	161	161	161	161	161	161	161	161	161	161	161	1932
garbage	80	80	80	80	80	80	80	80	80	80	80	80	960
heat	-	-	-	-	-	632	632	632	632	632	-	-	3161
Total	2232	2232	2232	2232	2232	2864	2864	2864	2864	2864	2232	2232	29945
Dues & fees													
professional	833	833	833	833	833	833	833	833	833	833	833	833	10000
Min end bal	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Tot. outflow	59644	62549	60589	58382	54353	79080	60398	54985	54985	55131	85254	116418	790768
Opr. surplus	5526	91621	60356	57755	47423	25113	8736	9185	41685	44485	18446	-49951	14388 216,099.00